

#### § 3556.4

25 cents per acre or fraction thereof for a new lease or at the rental rate set forth in the base lease for a modification made payable to the Department of the Interior—Bureau of Land Management. The rental payment shall not be less than \$20.

(c) The application shall:

(1) Make reference to the serial number of the lease if the lands adjoin an existing Federal lease;

(2) Contain a complete and accurate description of the lands desired;

(3) Include a showing that a “Gilsonite” deposit extends from the applicant’s adjoining lease or from private lands owned or controlled by the applicant; and

(4) Include proof of ownership or control of the mineral deposit in the adjoining lands if not under a Federal lease.

#### § 3556.4 Surface management agency.

The surface management agency, if other than the Bureau, shall be consulted in accordance with §3500.9 and part 3580 of this title, as applicable.

#### § 3556.5 Payment of bonus.

Prior to the issuance of a new lease or a modification of an existing lease, the applicant shall be required to pay a bonus in an amount determined by the authorized officer based on an appraisal. In no event, shall such payment be less than \$1 per acre or fraction thereof.

#### § 3556.6 Terms and conditions of lease.

New leases shall be issued subject to the terms and conditions set out under subpart 3551 of this title. The terms and conditions of modified leases shall be the same as in the existing leases.

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AUTHORITY: The Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 *et seq.*); Reorganization Plan No. 3 of 1946 (5 U.S.C. Appendix); sec. 3, Act of Sept. 1, 1949 (30 U.S.C. 192c); the Act of June 30, 1950 (16 U.S.C. 508(b)); the Act of March 3, 1933, as amended (47 Stat. 1487); sec. 10, Act of Aug. 4, 1939 (43 U.S.C. 387); the Act of Oct. 8, 1964 (16 U.S.C. 460n *et seq.*); the Act of Nov. 8, 1965 (16 U.S.C. 460q *et seq.*); the Act of Oct. 2, 1968 (16 U.S.C. 90c *et seq.*); the Act of Oct. 27, 1972 (16 U.S.C. 460dd *et seq.*); the Alaska National Interest Lands Conservation Act (16 U.S.C. 460mm-2—460mm-4); the Independent Offices Appropriations Act (31 U.S.C. 9701).

SOURCE: 51 FR 15248, Apr. 22, 1986, unless otherwise noted.

### Subpart 3560—Hardrock Minerals Leasing: General

#### § 3560.0-3 Authority.

Authority for leasing hardrock minerals is shown under § 3500.0-3 (b) and (c) of this title.

[51 FR 15213, Apr. 22, 1986; 51 FR 25204, July 11, 1986]

#### § 3560.1 Leasing procedures.

The regulations in this part provide the procedures for qualified applicants to obtain rights to develop deposits of hardrock minerals found on certain lands available for leasing. The regulations provide for this in the following manner:

(a) *Prospecting permits* allow the permittee to explore for deposits of hardrock minerals.

(b) *Preference right leases* are issued to holders of prospecting permits who demonstrate the discovery of a valuable deposit of a hardrock mineral(s) under the permit.

(c) *Competitive leases* are issued for known deposits of hardrock minerals and allow the lessee to mine the deposit.

(d) *Fringe acreage leases* are issued noncompetitively for known deposits of hardrock minerals adjacent to existing mines on non-federal lands which can only be mined as part of the existing mining operation.

(e) *Lease modifications* are used to add known deposits of hardrock minerals to an adjacent Federal lease which contains an existing mine provided the deposits can only be mined as part of the existing mining operation.

#### § 3560.2 Other applicable regulations.

##### § 3560.2-1 General leasing regulations.

Part 3500 of this title contains the general regulations governing the leasing of solid minerals other than coal and oil shale and supplements, as applicable, the regulations in this part. The part 3500 regulations include, but are not limited to, such matters as multiple mineral development, environmental review, other agency consent and consultation and lands not available for leasing. Cross-reference to specific regulations in part 3500 is provided in this part as an aid to the reader and is not intended to limit the applicability of part 3500 only to the cross-referenced regulations.

##### § 3560.2-2 Special areas.

Part 3580 of this title contains regulations specific to certain national recreation areas and to certain lands patented to the State of California, and as applicable, supplements this part.

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Except where specific regulations in part 3580 of this title are applicable, the regulations in this part and part 3500 shall govern the leasing of hardrock minerals in those national recreation areas and those patented lands.

#### **§ 3560.3 Lands subject to lease.**

##### **§ 3560.3-1 Department of Agriculture lands.**

With the consent of the Secretary of Agriculture and subject to such conditions as he/she may prescribe, the hardrock minerals in the following lands administered by the Secretary of Agriculture are subject to lease:

(a) Lands acquired pursuant to the laws set out in Reorganization Plan No. 3 of 1946: (1) “The Act of March 4, 1917 (39 Stat. 1134; 16 U.S.C. 520); (2) Title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 195, 200, 202, 205; 40 U.S.C. 401, 403a and 408); (3) The 1935 Emergency Relief Appropriations Act of April 8, 1935 (48 Stat. 115, 118); (4) Section 55 of Title I of the Act of August 24, 1935 (49 Stat. 750, 781); and (5) The Act of July 22, 1937 (50 Stat. 522, 525, 530), as amended by the Act of July 28, 1942 (56 Stat. 725; 7 U.S.C. 1011(c) and 1018).”

(b) Lands added to the Shasta National Forest by the Act of March 19, 1948 (62 Stat. 83).

(c) Portions of Juan Jose Lobato Grant (North Lobato) and of the Anton Chica Grant (El Pueblo) in New Mexico (66 Stat. 285) described in section 1 of the Act of June 28, 1952.

(d) Public domain lands within National Forest lands in Minnesota.

(e) Lands in Shasta and Trinity Units of the Whiskeytown-Shasta-Trinity National Recreation Area, subject to the regulations in subpart 3583 of this title.

##### **§ 3560.3-2 National Park Service recreation areas.**

With the consent of the Regional Director, National Park Service, and subject to such conditions as may be prescribed by the Regional Director, the following national recreation areas administered by the National Park Service are available for leasing subject to

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the regulations in subpart 3582 of this title:

(a) Lake Mead National Recreation Area;

(b) Whiskeytown Unit of the Whiskeytown-Shasta-Trinity National Recreation Area;

(c) Ross Lake and Lake Chelan National Recreation Areas; and

(d) Glen Canyon National Recreation Area.

##### **§ 3560.3-3 White Mountains National Recreation Area, Alaska.**

The lands within White Mountains National Recreation Area are available for lease subject to the regulations in subpart 3585 of this title.

##### **§ 3560.3-4 Lands patented to the State of California for park purposes.**

The reserved hardrock minerals in certain lands patented to the State of California are available for lease subject to the regulations in subpart 3574 of this title.

##### **§ 3560.4 Allowable acreage holdings.**

No person, company, association or corporation may hold at any particular time, directly or indirectly, more than 20,480 acres in any 1 state under prospecting permit and lease for a particular hardrock mineral or an associated group of hardrock minerals, of which not more than 10,240 acres may be held under lease. However, the authorized officer may authorize a lessee to hold an additional 10,240 acres under lease if he/she finds, upon a satisfactory showing submitted by the lessee, that such additional acreage is necessary to promote the orderly development of the mineral resource, and does not result in undue control of the mineral to be mined, removed and marketed. In any case, the aggregate chargeable acreage held under permit and lease shall not exceed 20,480 acres in any 1 state.

##### **§ 3560.5 Identity of mineral or minerals required.**

All applications under this section shall specify the mineral or minerals for which the lease or permit is sought. A permit, if granted, shall be for the mineral or minerals requested and any associated minerals. A preference right

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lease shall be issued for the mineral(s) specified in the permit for which a valuable deposit has been discovered and for any associated minerals. (See also subparts 3563 and 3565)

[51 FR 15213, Apr. 22, 1986; 51 FR 25204, July 11, 1986]

### § 3560.6 Multiple development.

The granting of a hardrock permit or lease for the prospecting, development, or production of deposits for a specific mineral shall not preclude the issuance of other permits or leases for the same lands for deposits of other minerals with suitable stipulations for simultaneous operation. It is recognized, however, that multiple permits or leases for solid hardrock minerals on the same lands would not be compatible in most cases. For this reason, multiple permits or leases for such minerals generally shall not be issued for the same lands.

### § 3560.7 Hardrock mineral specimen collection.

The surface management agency having jurisdiction over the lands shall determine which areas and under what conditions mineral specimens may be collected for non-commercial purposes (e.g., recreation, hobby collecting, scientific or research specimens, etc), and whether an approved permit shall be required prior to entry on the lands by the collector. If such a permit is necessary, it shall be obtained from the responsible official of the surface management agency who shall have the discretionary authority to issue the permit, determine the permit fee, if any, and specify the terms and conditions of the permit.

## Subpart 3561—Lease Terms and Conditions

### § 3561.1 Applicability of lease terms and conditions.

The lease terms and conditions set out under this section apply to all leases issued or renewed under part 3560 of this title. Each lease shall be issued on a form approved by the Director and shall be dated as of the first day of the month after its approval by the authorized officer unless the appli-

cant requests in writing that it be dated the first day of the month in which it is approved. Each lease shall authorize, in accordance with its terms and conditions, the mining of the hardrock mineral(s) for which the lease issued, including any associated minerals.

### § 3561.2 Rental and royalty.

#### § 3561.2-1 Rental.

(a) Each lease shall provide for the payment of rental at the rate of \$1 per acre or fraction thereof each year on or before the anniversary date of the lease. The rental payment shall not be less than \$20. The rental paid for any year shall be credited against any royalties which may accrue under the lease during the year for which the rental was paid.

(b) If the annual rental is not timely remitted, the lessee shall be notified by the authorized officer that, unless payment is made within 30 days from receipt of such notification, action shall be taken to cancel the lease. (See § 3509.4-2)

(c) Remittances of rental shall be made in accordance with § 3503.1 of this title.

#### § 3561.2-2 Production royalty.

The production royalty shall be determined by the authorized officer on a case-by-case basis as provided in § 3503.2-1 of this title. If hardrock minerals other than those specified in the issued lease should be discovered and mined by the lessee, an applicable royalty rate shall be established by the authorized officer for such mineral(s).

### § 3561.3 Duration of lease.

The lease shall be issued for a period not exceeding 20 years as determined by the authorized officer with a preference right in the lessee to renew for a term not to exceed 10 years at the end of the initial term and at the end of each 10-year period thereafter.

EDITORIAL NOTE: See 52 FR 48124, Dec. 18, 1987, for a document correcting a latent ambiguity to the leasing regulations on hardrock minerals.

**§ 3561.4 Bonds.**

Prior to issuance of a lease under this part, the applicant shall furnish a bond in an amount to be determined by the authorized officer but not less than \$5,000. (See subpart 3504)

**§ 3561.5 Special stipulations.**

To insure adequate utilization and protection of the lands and their resources, leases shall contain such stipulations as may be prescribed by the authorized officer or the responsible official of the surface management agency if the surface is not under Bureau jurisdiction as described in § 3500.9 of this title. (See also part 3580).

**§ 3561.6 Other applicable regulations.**

Leases issued under this part shall also be subject to the conditions set forth in other regulations, including, but not limited to, the following:

- (a) Minimum annual production and minimum royalty are covered by § 3503.2–2 of this title.
- (b) Suspension of operations and production and suspension of operations are covered by § 3503.3 of this title.
- (c) Assignments and subleases are covered by subpart 3506 of this title.
- (d) Cancellation and relinquishment are covered by subpart 3509 of this title.
- (e) Exploration and mining are covered by part 3590 of this title.
- (f) Royalty management is covered by 30 CFR Chapter II, Subchapter A.

**Subpart 3562—Hardrock Minerals Prospecting Permits**

**§ 3562.1 Areas subject to prospecting.**

A prospecting permit may be issued for any area of available public domain and acquired lands subject to hardrock mineral leasing where prospecting or exploratory work is necessary to determine the existence or workability of a particular hardrock mineral(s). Discovery of a valuable deposit of any such mineral(s) within the term of the permit entitles the permittee to a preference right lease.

[51 FR 15213, Apr. 22, 1986; 51 FR 25204, July 11, 1986]

**§ 3562.2 Rights conferred by issuance of prospecting permits.**

A permit shall grant the permittee the exclusive right to prospect on and explore the lands to determine the existence of a valuable deposit of the mineral(s) for which the permit was issued, such right to be in accordance with the terms and conditions of the permit. The permittee may remove only such material as is necessary to demonstrate the existence of a valuable mineral deposit.

**§ 3562.3 Application for prospecting permit.**

**§ 3562.3–1 Filing requirements.**

- (a) An application shall be filed on a form approved by the Director or an exact reproduction of that form.
- (b) An application shall be filed in triplicate with the proper BLM office.
- (c) The application shall be accompanied by a nonrefundable filing fee of \$25, and rental for the first year at the rate of 50 cents per acre or fraction thereof made payable to the Department of the Interior—Bureau of Land Management. The rental payment shall be for the total acreage if known, and if not known, for the total acreage computed on the basis of 40 acres for each smallest subdivision. The rental payment shall not be less than \$20.

**§ 3562.3–2 Contents of application.**

Each application shall be typewritten, or printed plainly in ink; manually signed in ink and dated by the applicant or applicant's duly authorized attorney-in-fact, and shall contain the following:

- (a) The name and address of the applicant;
- (b) A statement of the applicant's holdings in accordance with subpart 3502 of this title;
- (c) A complete and accurate land description in compliance with subpart 3501 of this title. The application shall not include more than 2,560 acres in a reasonably compact form; and
- (d) The name of mineral(s) for which the permit is sought. (See § 3560.5)

**§ 3562.3–3 Exploration plans.**

After initial review and clearance of the application, but prior to issuance

of the prospecting permit, the authorized officer shall require the applicant to file an exploration plan in triplicate, reasonably designed to determine the existence or workability of the deposit. The exploration plan shall, insofar as possible, include the following:

(a) The names, addresses and telephone numbers of persons responsible for operations under the plan and to whom notices and orders are to be delivered;

(b) A brief description, including maps, of geologic, water, vegetation, and other physical factors, and the distribution, abundance and habitat of fish and wildlife, particularly threatened and endangered species, that may be affected by the proposed operation within the area where exploration is to be conducted, and the present land use within and adjacent to the area;

(c) A narrative description showing:

(1) The method of exploration and types of equipment to be used;

(2) The measures to be taken to prevent or control fire, soil erosion, pollution of surface and ground water, pollution of air, damage to fish and wildlife or their habitat and other natural resources, and hazards to public health and safety, including specific actions necessary to meet all applicable laws and regulations;

(3) The method for plugging drill holes; and

(4) The measures to be taken for surface reclamation, which shall include as appropriate:

(i) A reclamation schedule;

(ii) The method of grading, backfilling, soil stabilization, compacting and contouring;

(iii) The method of soil preparation and fertilizer application;

(iv) The type and mixture of shrubs, trees, grasses, forbs and other vegetation to be planted; and

(v) The method of planting, including approximate quantity and spacing;

(d) The estimated timetable for each phase of the work and for final completion of the program;

(e) Suitable topographic maps or aerial photographs showing existing bodies of surface water, topographic, cultural and drainage features, and the proposed locations of drill holes, trenches and roads; and

(f) Such other data as may be reasonably required by the authorized officer.

#### **§ 3562.3-4 Rejection of application.**

Any application for a prospecting permit that does not comply with the requirements of this subpart shall be rejected. If the applicant files a new application for the same lands within 30 days of receipt of the rejection, the nonrefundable filing fee and rental payment submitted with the original application shall be applied to the new application, provided the serial number of the original application is shown on the new application. If a new application is not filed within the 30-day period, the advance rental shall be refunded. Priority for the permit shall be established as of the date the corrected application is filed.

#### **§ 3562.4 Determination of priorities.**

##### **§ 3562.4-1 Regular filings.**

Priority of application shall be determined in accordance with the time of filing.

##### **§ 3562.4-2 Simultaneous filings.**

Where more than 1 application is filed at the same time for the same lands and for the same mineral, priority shall be determined in accordance with subpart 1821 of this title.

#### **§ 3562.5 Amendment to application.**

An amendment to an application for a prospecting permit to include additional lands shall receive priority for such additional lands from the date of the filing of the amended application. The amended application shall be accompanied by the required advance rental. No additional filing fees are required.

#### **§ 3562.6 Withdrawal of application.**

An application for permit may be withdrawn in whole or in part before the permit is signed on behalf of the United States. Upon acceptance of the withdrawal by the authorized officer, the advance rental submitted with the application shall be refunded.

#### **§ 3562.7 Permit bonds.**

Prior to issuance of the permit, the applicant shall furnish a bond in an

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amount determined by the authorized officer, but not less than \$1,000. (See subpart 3504)

### **§ 3562.8 Terms and conditions of permit.**

#### **§ 3562.8-1 Duration of permit.**

Prospecting permits are issued for an initial term of 2 years, and may be extended for a period not to exceed 4 years as provided in § 3562.9 of this title. No exploration activities other than those approved as part of an existing exploration plan shall be conducted following expiration of the initial term unless and until the permit has been extended by the authorized officer.

#### **§ 3562.8-2 Dating of permits.**

The permit shall be dated as of the first day of the month after its approval by the authorized officer unless the applicant requests in writing that it be dated the first day of the month in which it is approved.

#### **§ 3562.8-3 Annual rental.**

Rental at the rate of 50 cents per acre or fraction thereof shall be paid annually on or before the anniversary date of the permit. The rental payment shall not be less than \$20.

#### **§ 3562.8-4 Special stipulations.**

To insure adequate protection of the lands and their resources, permits shall contain such stipulations as may be prescribed by the authorized officer or the surface management agency if the surface is not under Bureau jurisdiction as described in § 3500.9. (See also part 3580)

### **§ 3562.9 Prospecting permit extensions.**

#### **§ 3562.9-1 Conditions for, and duration of, extensions.**

A permit may be extended for a maximum of 4 years by the authorized officer provided that:

(a) The permittee has been unable with reasonable diligence to determine the existence or workability of valuable deposits of any mineral(s) covered by the permit and desires to continue the prospecting or exploration program. Reasonable diligence means that

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in the opinion of the authorized officer the permittee has drilled a sufficient number of core holes on the permit area or performed other comparable prospecting to explore the permit area within the time allowed; or

(b) The permittee's failure to perform diligent prospecting activities was due to conditions beyond his/her control.

#### **§ 3562.9-2 Application for extension.**

(a)(1) An application for extension shall be filed in the proper BLM office at least 90 days prior to expiration of the permit. No specific application form is required.

(2) Applications for extension shall be accompanied by a nonrefundable filing fee of \$25 and the advance rental of 50 cents per acre or fraction thereof made payable to the Department of the Interior—Bureau of Land Management. The rental payment shall not be less than \$20.

(b) The application for extension shall:

(1) Demonstrate that the permittee has met the conditions for extension set forth in § 3562.9-1 of this title;

(2) Demonstrate the permittee's diligent prospecting activities; and

(3) Show how much additional time is necessary to complete prospecting work.

#### **§ 3562.9-3 Effective date.**

The permit extension shall become effective as of the date of approval.

## **Subpart 3563—Preference Right Lease**

### **§ 3563.1 Application for preference right lease.**

#### **§ 3563.1-1 Filing requirements.**

(a) An application shall be filed in triplicate with the proper BLM office no later than 60 days after the prospecting permit expires. No specific form is required.

(b) The application shall be accompanied by the first year's rental at the rate of \$1 per acre or fraction thereof made payable to the Department of the Interior—Bureau of Land Management. The rental payment shall not be less than \$20. (See subpart 3503)

**§ 3563.1-2 Contents of application.**

(a) The application shall include a statement of the applicant's holdings in accordance with subpart 3502 of this title.

(b) The application shall contain a complete and accurate description of the lands in accordance with § 3501.1 of this title. The lands shall have been included in the prospecting permit and shall not exceed 2,560 acres.

(c) The application shall identify the mineral(s) of which a valuable deposit(s) was discovered.

(d) The application shall be accompanied by a map(s) which shows utility systems; the location of any proposed development or mining operations and facilities incidental thereto, including the approximate locations and extent of the areas to be used for pits, overburden and tailings; and the location of water sources or other resources which may be used in the proposed operations or facilities incidental thereto.

(e) The application shall include a narrative statement setting forth:

(1) The anticipated scope, method and schedule of development operations, including the types of equipment to be used;

(2) The method of mining anticipated, including the best available estimate of the mining sequence and production rate to be followed; and

(3) The relationship, if any, between the mining operations anticipated on the lands applied for and existing or planned mining operations, or facilities incidental thereto, on adjacent Federal or non-federal lands.

**§ 3563.2 Review of application.****§ 3563.2-1 Preference right determination.**

The authorized officer shall determine whether the permittee has discovered a valuable deposit of any mineral covered by the prospecting permit. The determination shall be based on data furnished the authorized officer by the permittee as required by part 3590 of this title during the life of the permit and supplemental data submitted at the request of the authorized officer to determine the extent and character of the deposit, the anticipated mining and processing methods, the anticipated lo-

cation, kind and extent of necessary surface disturbance and measures to be taken to reclaim that disturbance.

**§ 3563.2-2 Surface management agency.**

The surface management agency, if other than the Bureau, shall review the application for preference right lease in accordance with § 3500.9 and part 3580 of this title, as applicable. The appropriate surface management agency may request supplemental data regarding surface disturbance and reclamation if not otherwise submitted under § 3563.1-2 of this title. On acquired lands administered by the Secretary of Agriculture, supplemental data in addition to that submitted under § 3563.1-2 of this title may be required. Such data will be used in the development of environmental analyses and special stipulations.

**§ 3563.3 Issuance of lease.**

The authorized officer shall issue a lease to the holder of a prospecting permit who shows that, within the terms of the permit, a valuable deposit of any mineral(s) covered by the prospecting permit was discovered.

**§ 3563.4 Rejection of application.**

(a) The authorized officer shall reject an application for a preference right lease if the authorized officer determines:

(1) That the applicant did not discover a valuable deposit of any mineral covered by the prospecting permit;

(2) The applicant did not submit in a timely manner requested information; or

(3) The applicant did not otherwise comply with the requirements of this subpart.

(b) On alleging in an application facts the applicant believes to be sufficient to show entitlement to a lease, a permittee shall have a right to a hearing before an Administrative Law Judge in the Office of Hearings and Appeals.

(c) At the hearing, the permittee shall have both the burden of going forward and the burden of proof by a preponderance of the evidence that a valuable deposit of the mineral(s) was discovered.



## Subpart 3564—Competitive Leasing

### § 3564.1 Lands subject only to competitive leasing.

Lands where prospecting or exploratory work is unnecessary to determine the existence or workability of a valuable deposit of a particular hardrock mineral may be leased only through competitive sale to the qualified bidder who offers the highest acceptable bonus bid. A competitive lease sale may be initiated either through an expression of interest or on Bureau motion.

### § 3564.2 Surface management agency.

Prior to competitive lease offering, the surface management agency, if other than the Bureau, shall be consulted in accordance with § 3500.9 and part 3580 of this title, as applicable. (See also § 3560.3)

### § 3564.3 Sale procedures.

#### § 3564.3–1 Publication and posting of notice.

Prior to a lease offering, the authorized officer shall publish a notice of lease sale for at least 3 consecutive weeks in a newspaper of general circulation in the area in which the lands are situated. The notice of lease sale shall be posted for 30 days in the public room of the proper BLM office.

#### § 3564.3–2 Contents of notice.

The lease sale notice shall include:

- (a) The time and place of sale;
- (b) The bidding method;
- (c) A description of the tract being offered;
- (d) A description of the mineral deposit being offered;
- (e) The minimum bid to be considered; and
- (f) Information on where a detailed statement of the terms and conditions of the lease sale and of the proposed lease may be obtained.

#### § 3564.3–3 Detailed statement.

The authorized officer shall also prepare and make available a detailed statement of sale containing:

- (a) The proposed lease on a form approved by the Director with terms and

conditions, including the rental, royalty rates, bond amount and special stipulations;

- (b) An explanation of the manner in which bids may be submitted;

- (c) A notice that each bid shall be accompanied by the bidder's statement of holdings (See subpart 3502) and one-fifth of the amount bid;

- (d) A notice that the successful bidder(s) shall be required, prior to lease issuance, to pay his/her proportionate share of the total cost of the publication of the sale notice;

- (e) A warning to all bidders concerning 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders;

- (f) A statement that the Secretary reserves the right to reject any and all bids, and the right to offer the lease to the next qualified bidder if the successful bidder fails to obtain the lease for any reason; and

- (g) Any other information deemed appropriate.

### § 3564.4 Bid opening.

All bids shall be opened and announced at the time and date specified in the notice of lease sale, but no bids shall be accepted or rejected at that time. Bids received after the time specified in the notice of sale shall not be considered. A bid may be withdrawn or modified prior to the time specified in the notice of sale.

### § 3564.5 Award of lease.

After the authorized officer has determined that the highest qualified bid meets or exceeds fair market value, copies of the lease on the form attached to the detailed statement shall be sent to the successful bidder who shall, within a specified time, sign and return the lease form, pay the balance of the bonus bid, pay the first year's rental, pay the publication costs and furnish the required lease bond.

### § 3564.6 Rejection of bid.

- (a) If the high bid is rejected for failure of the successful bidder to sign the lease form and pay the balance of the bonus bid, or otherwise comply with the regulations of this subpart, the one-fifth bonus accompanying the bid shall be forfeited to the United States.

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(b) If the lease cannot be awarded for reasons determined by the authorized officer to be beyond the control of the successful bidder, the authorized officer shall reject the bid and the deposit submitted with the bid shall be returned.

### Subpart 3565—Noncompetitive Leasing: Fringe Acreage Leases and Lease Modifications

#### § 3565.1 Lands subject to lease.

Lands available for leasing which are known to contain a hardrock mineral deposit that extends from an adjoining Federal lease or from privately held lands may be leased noncompetitively either by issuance of a new lease for these lands or by adding such lands to an existing Federal lease.

#### § 3565.2 Special requirements.

Before a fringe acreage lease may be issued or a lease modified under this subpart, the authorized officer shall determine the following:

(a) The lands are contiguous to an existing Federal lease or to non-federal lands owned or controlled by the applicant;

(b)(1) The new lease for fringe acreage is not in excess of 2,560 acres; or

(2) The acreage of the modified lease, including additional lands, is not in excess of 2,560 acres;

(c) The mineral deposit is not in an area of competitive interest to holders of other active mining units in the area;

(d) The lands applied for lack sufficient reserves of the mineral resource to warrant independent development; and

(e) That leasing the lands will result in conservation of natural resources and will provide for economical and efficient recovery as part of a mining unit.

#### § 3565.3 Filing requirements.

(a) An application shall be filed in triplicate with the proper BLM office. No specific application form is required.

(b) The application shall be accompanied by a nonrefundable filing fee of

\$25 and an advance rental payment of \$1 per acre or fraction thereof for a new lease or at the rental rate set forth in the base lease for a modification made payable to the Department of the Interior—Bureau of Land Management. The rental payment shall not be less than \$20.

(c) The application shall:

(1) Make reference to the serial number of the lease if the lands adjoin an existing Federal lease;

(2) Contain a complete and accurate description of the land desired;

(3) Include a showing that a hardrock mineral deposit extends from the applicant's adjoining lease or from private lands owned or controlled by the applicant; and

(4) Include proof of ownership or control of the mineral deposit in the adjoining lands if not under a Federal lease.

[51 FR 15213, Apr. 22, 1986; 51 FR 25204, July 11, 1986]

#### § 3565.4 Surface management agency.

The surface management agency shall be consulted in accordance with § 3500.9 and part 3580 of this title, as applicable. (See also § 3560.3)

#### § 3565.5 Payment of bonus.

Prior to the issuance of a new lease or a modification of an existing lease, the applicant shall be required to pay a bonus in an amount determined by the authorized officer based on an appraisal. In no event shall such payment be less than \$1 per acre or fraction thereof.

#### § 3565.6 Terms and conditions of lease.

New leases shall be issued subject to the terms and conditions set out under subpart 3561 of this title. The terms and conditions of a modified lease shall be the same as in the existing lease.

### Subpart 3566—Lease Renewals

#### § 3566.1 Applications.

An application for lease renewal shall be filed at least 90 days prior to the expiration of the lease term. No specific form is required. All applications shall be filed in triplicate in the proper BLM office together with a nonrefundable

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\$25 filing fee and an advance rental payment of \$1 per acre or fraction thereof. The rental payment shall not be less than \$20.

### § 3566.2 Bonds.

Prior to the issuance of a renewal lease, the lessee may be required to furnish a new bond as prescribed by subpart 3504 of this title.

### § 3566.3 Failure to apply for renewal.

If the holder of a lease fails to apply for renewal as provided in § 3566.1 of this title, the lease shall expire on the last day of the lease term.

### § 3566.4 Lease terms and conditions.

Each lease, if renewed, shall be issued on a form approved by the Director and shall be dated effective the first day of the month following its approval by the authorized officer or the first day of the month following the expiration of the current lease, whichever is later, and shall otherwise be subject to the terms and conditions set forth under subpart 3561 of this title.

## Subpart 3567—Development Contracts

### § 3567.1 Development contracts and processing and milling arrangements.

Development contracts and processing and milling arrangements by 1 or more lessees with 1 or more persons, associations or corporations to justify operations on a large scale for the discovery, development, production or transportation of ores may be approved by the authorized officer without regard to the acreage limitation set forth in § 3560.4 of this title.

### § 3567.2 Acreage chargeability.

Leases and permits committed to an approved development contract or to a processing or milling arrangement shall not be included in computing accountable acreage.

### § 3567.3 Applications.

All applications shall be filed in triplicate in the proper BLM office. No specific form is required. An application shall include the following:

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(a) Copies of the contract affecting the Federal leases and/or permits;

(b) A statement showing the nature and reasons for the requested contract;

(c) A statement showing all of the interests held in the contract area by the designated contractor; and

(d) The proposed or agreed upon plan of operation or development of the leased lands.

### § 3567.4 Approval.

Development contracts may be approved by the authorized officer when, in his/her judgment, conservation of natural resources or the public interest shall be best served thereby. The contract shall be signed and agreed upon by the parties prior to final approval by the Bureau.

## PART 3570—ASPHALT IN OKLAHOMA

### Subpart 3570—Asphalt in Oklahoma: General

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### Subpart 3575—Noncompetitive Leasing: Fringe Acreage Leases and Lease Modifications

3575.1 Lands subject to lease.

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